

Athens, 15 February 2024

**Hellenic Accounting and Auditing
Standards Oversight Board**

Announcement 005/2024

**IAASB / REVISED ISA 240 : THE AUDITOR'S RESPONSIBILITIES
RELATING TO FRAUD IN AN AUDIT OF FINANCIAL STATEMENTS**

On February 6, 2024, the International Auditing and Assurance Standards Board (IAASB) issued for public consultation the proposed (Exposure Draft) International Standard on Auditing (ISA) 240 (Revised): The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements.

The recent collapses of companies globally have highlighted the importance of a clear and strengthened role of auditors in responding to fraud or suspected fraud as a means of enhancing public trust in financial reporting.

The proposed revisions to ISA 240 by the IAASB significantly enhance the auditing standard regarding the auditor's responsibilities related to fraud by:

- Clarifying expectations regarding fraud
- Establishing stronger audit procedures
- Increasing transparency about auditor's responsibilities and fraud-related procedures in the audit report

The IAASB has issued, alongside the proposed standard, the Public Interest Issues Table, which maps the key changes proposed in the revised standard to the actions and objectives outlined in the "Public Interest Support Plan Proposal."

The table also highlights the following qualitative characteristics of standard-setting that came to the forefront or were most relevant for the development of the proposed standard:

- Scalability (including proportionality in the standard's impact on different stakeholders)
- Relevance (through recognition and response to emerging issues, changes in the business and audit environment, developments in accounting practices, or technological advancements)
- Comprehensiveness (by limiting the scope of exceptions to established principles)
- Clarity and conciseness (to enhance understanding and reduce the likelihood of differing interpretations)
- Implementability and ability of being consistently applied and globally operable
- Enforceability through clearly articulated responsibilities
- Coherence (with the overall body of ISAs, for example, by building appropriately on the relevant requirements of foundational standards)

During the public consultation, the IAASB will release a series of videos to help all stakeholders understand the proposed revisions and their impact on strengthening the financial reporting ecosystem.

The IAASB invites all stakeholders to submit their feedback using the response template, which is designed to facilitate structured responses and optimize the collection and analysis of comments and opinions.

The deadline for submitting comments is **June 5, 2024**.

Further details regarding the content of the proposed revised standard, the table of key changes, and the response template can be found at the following website:

<https://www.iaasb.org/publications/proposed-international-standard-auditing-240-revised-auditor-s-responsibilities-relating-fraud-audit>

The audit quality inspector of HAASOB

Petros Menexis